

LAW OFFICES
MILES & STOCKBRIDGE

A PROFESSIONAL CORPORATION

10 LIGHT STREET

BALTIMORE, MARYLAND 21202-1487

TELEPHONE 410-727-6464

FAX 410-385-3700

RECORDATION NO. 21844 ←

FILED

DEC 9 '98

2-58 PM

McLEAN, VA

ROCKVILLE, MD

TOWSON, MD

WASHINGTON, D.C.

CAMBRIDGE, MD

COLUMBIA, MD

EASTON, MD

FREDERICK, MD

JOHN A. STALFORT
410-385-3424

December 8, 1998

via FEDERAL EXPRESS

RECORDATION NO. 21844 A

FILED

DEC 9 '98

2-58 PM

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C., 20423-0001
Attention: Mrs. Janice Fort

Re: Our File No.: 259-1903

Dear Mrs Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Primary ↓
Schedule No. 2 to Master Lease Agreement dated February 16, 1996 between Progress Rail Services Corporation (P.O. Box 1037, 1600 Progress Drive, Albertville, Alabama 35950) and Illinois Central Railroad Company (17641 Ashland Avenue, Homewood, Illinois 60430)

Also enclosed for recordation as a secondary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

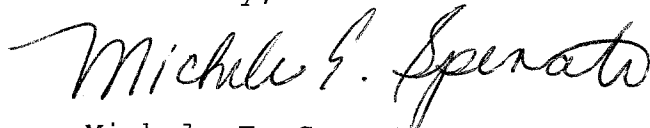
✓ Assignment of Lessor's Interest in Lease made as of November 30, 1998 by Progress Rail Services Corporation (P.O. Box 1037, 1600 Progress Drive, Albertville, Alabama 35950) in favor of The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) which relates to the above-referenced Schedule No. 2

Also enclosed is a check to cover the costs of recording the enclosed documents.

Upon recordation, please return the recorded documents to the undersigned.

Thank you for your prompt attention to this matter. If you have any questions, please call me at (800) 344-2532.

Sincerely,

A handwritten signature in cursive script, reading "Michele E. Sperato". The signature is written in dark ink and is positioned above the printed name.

Michele E. Sperato
Assistant to John A. Stalfort

Enclosures

STATE OF MARYLAND

SS:

CITY OF BALTIMORE

RECORDATION NO. 21844 FILED
DEC 9 '98 2-58 PM

THIS IS TO CERTIFY that the attached Schedule No. 2 to Master Lease Agreement is a true and complete copy of said Schedule No. 2 to Master Lease Agreement.

WITNESS my hand and seal this 8th day of December, 1998.

Michelle E. Sperato
Notary Public

My Commission Expires: January 28, 2001

SCHEDULE NO. 2

RECORDATION NO. 218

DEC 9 '98

FILED
2-58 PM

This Schedule No. 2 is hereby made a part of the Master Lease Agreement dated as of March 3, 1994, between Progress Rail Services Corporation, as Lessor, and Illinois Central Railroad Company, as Lessee.

Number of Cars: Thirty (30).

Description of Cars: Open 100-ton, coil gondolas.

Car Marks and Numbers: The reporting marks and numbers of Lessee set forth on the exhibit attached hereto and entitled "Description of Railcars." See also "Stenciling," below.

Ending Date for Initial Term: Subject to the provisions of the Master Lease Agreement concerning termination in connection with an Event of Default or an Event of Loss, the term of the Lease shall be a month-to-month term, cancelable by Lessor or Lessee by written notice at least one hundred eighty (180) days in advance of the date on which the termination is to be effective (which effective date must be the last day of a calendar month).

Fixed Rental Rates: per Car per month (prorated, based on a 30-day month, for any partial month), payable in arrears on the last day of each month (for the month ending on that day).

Interim Rental Rates: N/A.

Entitlement to Car Hire: Lessee shall be entitled to all Car Hire generated by the Cars.

Required Repairs or Other Work; Specifications: N/A. (Accordingly, no Exhibit B is attached to this Schedule.)

Delivery and Acceptance: Lessee acknowledges that the Cars are already in Lessee's possession and service. Lessee has accepted all of the Cars. The foregoing statement will serve in lieu of a Certificate of Acceptance.

Permitted Use of Cars: Lessee shall place and retain the Cars in service in Lessee's general fleet of railroad cars. Lessee may assign the Cars to various pools of railroad cars as determined by Lessee.

Return Point: An interchange point on Lessee's trackage in the continental United States of America as directed by Lessor.

Address for Payments to Lessor: Progress Rail Services Corporation, P.O. Box 1037, 1600 Progress Drive, Albertville, Alabama 35950.

Addresses for Notices:

If to Lessor, to: Progress Rail Services Corporation
P.O. Box 1037
1600 Progress Drive
Albertville, Alabama 35950
Telecopier: (256) 840-2782

If to Lessee, to: Illinois Central Railroad Company
17641 Ashland Avenue
Homewood, Illinois 60430
Attn: Manager, Car Utilization
Telecopier: (708) 206-6860

Repairs & Maintenance Responsibility (subject to § 10): Lessor.

Taxes Responsibility (subject to § 14): Lessor.

Insurance Responsibility (subject to § 13): Lessor.

Stenciling: Lessee, at its expense and without abatement of rent, shall cause each Car to be stenciled with Lessee's running marks and identifying numbers as set forth in this Schedule and shall reprogram the AEI Tags to conform to those markings. In the event that Lessee changes or permits to be changed the identifying numbers of the Cars or any other markings of ownership of the Cars, a statement of new identifying numbers or markings to be substituted therefor shall be (i) furnished to Lessor and (ii) filed, recorded and deposited by Lessee in all public offices where this Lease Agreement shall have been filed, recorded and deposited. Except as provided above, Lessee will not allow the name of any person, association or corporation to be placed on any Car as a designation that might be interpreted as a claim of ownership; provided, however, that the Cars may be lettered with the names or initials or other insignia customarily used by Lessee, its affiliates or any authorized sublessee. Upon termination of this Lease Agreement as to any Car, Lessee, at its expense, shall remove Lessee's AEI Tags and restencil each Car with running marks and identifying numbers provided by Lessor and reprogram the AEI Tags to conform to those markings.

Casualty Values: See Exhibit C ("Casualty Value Exhibit") attached hereto.

Default; Cancellation of Lease. Since the term of the Lease is a month-to-month term, the parties hereby amend Section 20(b) by replacing the second, third, and fourth sentences thereof with the following: "Lessor shall thereafter recover from Lessee any and all amounts which under the terms of this Lease may then be due or may have accrued to the date of such cancellation and, in addition, recover from Lessee as liquidated damages any and all costs and expenses of termination and retaking the Cars (including reasonable attorneys' fees)."

Miscellaneous: All capitalized terms used in this Schedule shall, unless otherwise indicated, have the definitions set forth in the Lease. Wherever there may be conflicts or inconsistencies between the terms and conditions of this Schedule and the terms and conditions of the Lease, the terms and conditions of this Schedule shall prevail.

LESSOR:

PROGRESS RAIL SERVICES
CORPORATION

By: _____
Name/Title: _____

Date: February 16, 1996

LESSEE:

ILLINOIS CENTRAL RAILROAD
COMPANY

By: Howard A. Stone
Name/Title: Howard A. Stone
Treasurer

Date: February 16, 1996

Miscellaneous: All capitalized terms used in this Schedule shall, unless otherwise indicated, have the definitions set forth in the Lease. Wherever there may be conflicts or inconsistencies between the terms and conditions of this Schedule and the terms and conditions of the Lease, the terms and conditions of this Schedule shall prevail.

LESSOR:

PROGRESS RAIL SERVICES
CORPORATION

By: Michael V. Bombini
Name/Title: Michael V. Bombini
Effective as of Senior VP & CFO
Date: February 16, 1996

LESSEE:

ILLINOIS CENTRAL RAILROAD
COMPANY

By: Howard A. Stone
Name/Title: Howard A. Stone
Treasurer
Date: February 16, 1996

DESCRIPTION OF RAILCARS

Lessee: Illinois Central Railroad Company

Number of Cars in Lease: 30

Description of Cars: Open, 100-ton coil gondola rail cars

Car Marks and Numbers:

IC 298000, IC 298001, IC 298002, IC 298003, IC 298004, IC 298005, IC 298006,
IC 298007, IC 298008, IC 298009, IC 298010, IC 298011, IC 298012, IC 298013,
IC 298014, IC 298015, IC 298016, IC 298017, IC 298018, IC 298019, IC 298020,
IC 298021, IC 298022, IC 298023, IC 298024, IC 298025, IC 298026, IC 298027,
IC 298028, IC 298029.

EXHIBIT C TO SCHEDULE NO. 2

This is a Casualty Value Exhibit to Schedule No. 2 to the Master Lease Agreement dated as of March 3, 1994, between Progress Rail Services Corporation, as Lessor, and Illinois Central Railroad Company, as Lessee.

The Casualty Value shall be the depreciated value of the Car determined in accordance with Rule 107. Rental shall continue until notice of the Event of Loss is given, and interest shall accrue and be paid on any Rule 107 amount not paid within 30 days of such notice, at the rate of 1% per month.